

# KENTUCKY

## TEACHERS' RETIREMENT SYSTEM

ACTIVE MEMBER  
EDITION



January/February  
2007

### 2007 Session of the Kentucky General Assembly

The 2007 General Assembly officially began on January 2nd when the legislature convened for four days to address leadership and procedural issues. It is presently in recess and will reconvene on February 6th, when the process of enacting legislation will begin in earnest. As an "odd year" session, the Legislature will convene for only thirty (30) days instead of sixty (60) as it does in the longer "even year" sessions. The General Assembly will initially meet for twenty-eight (28) days before temporarily recessing on March 12, 2007 for the "veto period" during which the Governor may veto any legislation that has been passed thus far. The General Assembly is then scheduled to reconvene for two days beginning on March 26th to consider overriding any legislation vetoed by the Governor. The Session is scheduled to come to a close on March 27, 2007 when the General Assembly adjourns sine die. This schedule is subject to some ad hoc adjustment by the General Assembly although under no circumstances may it exceed thirty (30) total meeting days.

At its meeting on December 18, 2006, the KTRS Board of Trustees approved a legislative package for presentation to the 2007 General

Assembly. The majority of the items in this package consist of routine housekeeping matters that remove archaic language or simply add clarification to the current statutes. These items do not change the current operations or practice of the retirement system. There are, however, a few items of a more substantive nature. These include:

- Request that the 100-day program be extended for another three years for those retirees who are currently returning to work under this program.
- Request that retirees be allowed to use out of state K-12 service in calculating their Daily Wage Threshold even if they have not purchased their out of state K-12 service.
- Request that a minimum Daily Wage Threshold be established.
- Request that members be allowed to remove their ex-spouses as beneficiaries even if they miss the sixty-day deadline. This would not permit members to increase their retirement allowance or "pop up" to an Option I equivalent in the event that their ex-spouse later predeceases them.

*continued on page 3 ...*

### Deadline for the Purchase of 2005-06 Service Credit is Approaching

Members who were granted leaves of absence in the 2005-06 year should contact KTRS about purchasing the unpaid days covered by the leave of absence. Leaves of absence granted during 2005-06 may be purchased as a current leave of absence if purchased by June 30, 2007. After that date, the 2005-06 leaves of absence are purchasable only as a non-current leave of absence. Current leave of absence purchases are less expensive than non-current leave of absence purchases. If your present financial situation does not permit you to purchase your 2005-06 leave with a lump sum payment before the June 30th deadline for current leave of absence purchases, you may still be eligible to purchase your 2005-06 leave as a current leave of absence by entering into an installment payment contract with KTRS before the deadline. To be purchasable by installments, the total cost of purchasing the leave, with interest, must exceed \$1,000. The minimum contract term is 12 months, the maximum is 60 months. Monthly payments must equal to at least \$50.00. Please contact KTRS to determine whether your leave of absence qualifies for an installment payment purchase.

**The deadline for purchasing a 2005-06 leave of absence as a current leave of absence is June 30, 2007.**

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## Important Information for Year 2007 Retirees

*The following answers are provided to help with often-asked questions pertaining to retirement.*

**If I am planning to retire this year, what should I do in preparation?**

- Request KTRS Form 23 - Application for Service Retirement & packet from the KTRS office at **least 120 days before** your prospective date of retirement. *Summer 2007 packets will be available in March 2007.*
- You will be required to submit copies of your signed Social Security card and the official, certified birth certificate when you submit your retirement application.
- A copy of your official certified marriage license is required if married.
- If you select a payment option that provides a lifetime benefit to a surviving beneficiary, you will need to provide a copy of the beneficiary's official, certified birth certificate.

**Does my employer need to complete any part of my retirement application?**

- YES. Sections VII and VIII need to be completed and signed by your employer in order to finalize your retirement application. *Please allow sufficient time for your employer to complete these sections.*

**What is the deadline to file for JUNE 1<sup>st</sup> retirements?**

- June retirement applications must be received in the KTRS office **no later than May 1, 2007.** *This is different than the 2006 deadline.*

**What is the deadline to file for JULY 1<sup>st</sup> retirements?**

- June retirement applications must be received in the KTRS office **no later than June 1, 2007.**

**When will I receive my first check?**

- To be eligible for the June effective date, retiring members must complete their employment contract and resign from their position by May 31<sup>st</sup>.
- A one-month service credit reduction will occur for June retirements. June 1<sup>st</sup> retirees will receive their first annuity payment by direct deposit on June 28<sup>th</sup>.
- July 1<sup>st</sup> retirees will receive their first annuity payment by direct deposit on July 27<sup>th</sup>.

*Please be reminded that as a result of 1998 legislation, all retirement payments must be sent by Electronic Funds Transfer (EFT). Section II of the retirement application requires you to supply your financial institution information and attach your voided or cancelled check.*

**If I am retiring this year, when will my medical insurance become effective through KTRS?**

- Your medical insurance will be effective through KTRS on the 1<sup>st</sup> day of the month FOLLOWING the month your retirement is effective.

### Did You Receive Your New Member Number from KTRS?

As part of our commitment to protect the privacy of our members, KTRS will no longer print the Social Security number on member documents or correspondence. Instead, each of our members has been assigned a separate and unique

member number which is only identifiable to KTRS. If you have NOT received a notice in the mail indicating your new member number, please contact KTRS in writing that you have not received notice of your member number.

## Your Homework



### for a Successful Retirement Experience!

**What you will need:**

- ☐ **Your KTRS Service Retirement application.** (Form 23) *(must be completed and signed by you and your employer).*
- ☐ **A copy of your official certified birth certificate.**
- ☐ **A copy of your Social Security card.** *(issued by the SSA and bearing its seal and your signature).*
- ☐ **A copy of your official certified marriage license.** *(if married at the time of your retirement)*
- ☐ **A copy of your beneficiary's official certified birth certificate.** *(if Retirement Option III, IIIA, IV or IVA is selected).*
- ☐ **And remember to submit payment for any service credit purchase two months prior to your retirement.** *(If you are qualifying previously purchased out-of-state service or purchasing non-standard, prior military, or out-of-state service to retire, the retirement system will calculate the amount due and notify you in writing upon receipt of your completed application.)*

**Summer 2007 retirement application packets will be available in March 2007.**

- Request that university members participating in the optional retirement plan (ORP), be provided a six-month window to switch to KTRS at the time of achieving tenure, and to purchase their prior service under the ORP plan as service credit in KTRS.
- Request that all university members participating in ORP be provided a one-time opportunity to switch to KTRS and purchase prior service. This opportunity would expire on December 31, 2007.

None of these requests become law unless approved by the General Assembly and the Governor. Therefore, it is very important to read future KTRS Newsletters carefully for further developments as either all, some, or none of these requests may eventually become law.

As with all legislative sessions, KTRS will continue to monitor new bills, opposing those that negatively affect the retirement system and supporting those that promote and protect it. KTRS will also use the Session as an opportunity to continue to educate members of the General Assembly of the value of the retirement system to Kentucky, of the necessity of maintaining its integrity by avoiding harmful legislation, and generally of the state of the retirement and medical insurance programs.

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## **New Filing Deadline for June 1<sup>st</sup> Retirements**

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Effective June 2007, retirement applications requesting a June 1st retirement date must be postmarked no than May 1st. June 1st is the second most requested retirement date and is becoming increasingly popular as recent warm winters have permitted classroom teachers to conclude their 185-day contract by the end of May. This growing number of retirement applications requesting a June 1st retirement date is making it increasingly difficult for KTRS counselors to process retirement applications and ensure timely payment of retirement allowances. Therefore, if you are anticipating a June 1, 2007 retirement date it is very important that you plan to file your retirement application with KTRS no later than May 1, 2007.

July 1st continues to be the most popular retirement date for KTRS members and, as such, it is also the busiest. In order to provide KTRS staff with adequate time to process the rush of retirement applications that request a July 1st retirement date, members must have their July 1, 2007 retirement applications postmarked no later than June 1st. For the remaining ten months of the year, under current regulations, members may file their retirement applications on or before the first day of the month in which they wish to retire.

## **Mid-Career Planning Workshops**

Registration 5:30 – 5:40 P.M.

Workshop 5:40 - 8:30 P.M. (Local Time)

**April 18, 2007**

**The Springs Inn**

Ball Room  
2020 Harrodsburg Road  
Lexington

**April 23, 2007**

**Breckinridge Inn Hotel**

Louisville Room  
2800 Breckinridge Lane  
Louisville

***Please visit [www.ktrs.ky.gov](http://www.ktrs.ky.gov) for  
all workshop & seminar  
REGISTRATION.***

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## **Pre-Retirement Seminars**

Registration 9:00 – 9:15 A.M.

Seminar 9:15 A.M. – 1:00 P.M. (Local Time)

**February 17, 2007**

**Carter Caves SRP**

344 Caveland Drive  
Olive Hill, KY

**March 10, 2007**

**KTRS**

477 Versailles Road  
(next door to the main  
479 Versailles Road building)  
Frankfort, KY

**April 14, 2007**

**Pine Mountain SRP**

C.V. Convention Center  
1050 State Park Road  
Pineville, KY

**May 26, 2007**

**KTRS**

477 Versailles Road  
(next door to the main  
479 Versailles Road building)  
Frankfort, KY

***Please visit [www.ktrs.ky.gov](http://www.ktrs.ky.gov) for  
all workshop & seminar  
REGISTRATION.***

## Return to Work Options for KTRS Retirees

Individuals whose KTRS effective date of retirement is August 1, 2002 or later may only choose covered employment in the long standing traditional waiver program or the part-time or full-time programs which were effective July 1, 2002. Both of the programs require KTRS retirees to experience a break-in-service from covered employment and also to be subject to a daily wage threshold that increases annually in concert with the national CPI index. All KTRS retirees who are/were eligible to participate in the 100-day program may choose to make an irrevocable election to participate in the part-time or full-time programs at the beginning of each new school or fiscal year. Any KTRS member who has questions about his/her re-employment options should always contact KTRS prior to accepting employment in another position.

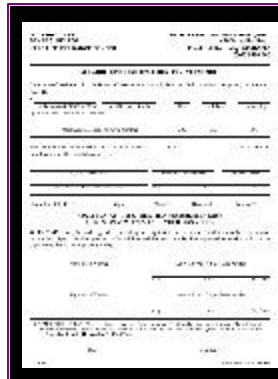
### What Does That Mean?

#### *Definition of Daily Wage Threshold*

The daily wage threshold represents the maximum daily rate of pay a KTRS retiree may earn in a KTRS position without being subject to a reduction in his/her KTRS annuity.

## Do You Have a Life Insurance Beneficiary?

All members of KTRS are covered by a life insurance benefit. KRS 161.655 sets this benefit at \$5,000 for retirees and \$2,000 for active contributing members. The law specifies that this benefit is payable upon the death of the member to the member's estate or to a party designated by the member on a form prescribed by the retirement system. Members who do not have a party designated to receive this benefit can do so by completing a Designation of Beneficiary Form [KTRS Life Insurance Form DB-1].



KTRS retirees are reminded that changing the life insurance benefit designation does not affect the beneficiary designation made at retirement that provides for a monthly payment in the event of death. It is very important that both active and retired KTRS members keep their life insurance benefit designation current and up to date. Failure to keep your designation up to date could lead to costly legal fees. To request this form call KTRS toll free at 1-800-618-1687.

## Get to Know Your Retirement System with a KTRS Orientation

"If I had only known that when I first started teaching," is a common comment after a KTRS Orientation. Knowing this valuable information on the front end of one's career eliminates regrets when a member is nearing retirement.

Be informed about your retirement system! Ask your school or district office to contact Sandra Bush at KTRS at 800-618-1687, or e-mail [sandra.bush@ky.gov](mailto:sandra.bush@ky.gov) for more information on a KTRS Orientation presentation. (see [www.ktrs.ky.gov](http://www.ktrs.ky.gov) for more information)

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